

TABLE 1

Comparison between Present, Adopted and PG&E Proposed Revenue Requirement  
(thousands of dollars)

Line No.	Description	Revenue at Present Rates (see Note 1)	Adopted 2004 Total	PG&E Proposed 2004 Total (see Note 2)	% Difference Adopted and Present	% Difference Adopted and PG&E Proposed
<b>REVENUE:</b>						
	Revenue at Effective Rates	\$411,347	\$423,821	\$441,160		
2	Less Non-General Revenues	(12,576)	(12,576)	(12,576)		
3	General Rate Case Revenue	423,923	436,397	453,736	2.94%	-3.82%
<b>OPERATING EXPENSES:</b>						
4	Energy Costs	0	0	0		
5	Other Production	0	0	0		
6	Storage	0	0	0		
7	Transmission	78,101	78,761	81,126		
8	Distribution	365	365	365		
9	Customer Accounts	2,215	2,215	2,215		
10	Uncollectibles	1,060	1,091	1,134		
11	Customer Services	7,024	7,618	7,618		
12	Administrative and General	51,796	52,318	53,130		
13	Franchise Requirements	4,090	4,211	4,378		
14	Project Amortization	0	0	0		
15	Wage Change Impacts	0	0	0		
16	Other Price Change Impacts	0	0	0		
17	Other Adjustments	0	0	0		
	<b>Subtotal Expenses</b>	<b>144,652</b>	<b>146,579</b>	<b>149,966</b>	<b>1.33%</b>	<b>-2.26%</b>
<b>TAXES:</b>						
19	Superfund	0	0	0		
20	Property	16,011	15,969	16,017		
21	Payroll	4,143	4,208	4,309		
22	Business	38	39	40		
23	Other	21	22	22		
24	State Corporation Franchise	7,724	9,252	9,985		
25	Federal Income	42,199	47,536	51,041		
26	<b>Total Taxes</b>	<b>70,137</b>	<b>77,025</b>	<b>81,414</b>	<b>9.82%</b>	<b>-5.39%</b>
27	Depreciation	79,028	78,692	79,143		
28	Fossil Decommissioning	0	0	0		
29	Nuclear Decommissioning	0	0	0		
30	<b>Total Operating Expenses</b>	<b>293,817</b>	<b>302,296</b>	<b>310,523</b>	<b>2.89%</b>	<b>-2.65%</b>
31	<b>Net for Return</b>	<b>130,106</b>	<b>134,101</b>	<b>143,214</b>	<b>3.07%</b>	<b>-6.36%</b>
32	<b>Rate Base</b>	<b>1,545,629</b>	<b>1,452,043</b>	<b>1,550,720</b>		
<b>RATE OF RETURN</b>						
33	On Rate Base	8.42%	9.24%	9.24%		
34	On Equity	9.30%	11.22%	11.22%		

Note 1: PG&E January 17, 2003 Amendment to Amended Application.

Note 2: PG&E Exhibit 3, Table 12-2.

TABLE 2

**ADOPTED REVENUE REQUIREMENT  
YEAR 2004  
(Thousands of Dollars)**

Line No.	Description	Gathering	Local	North Line 401	North Line 400	North Line 2	South Line 300 North	South Line 300 Central	South Line 300 South	Central Bay Area Loop	Total Transmission	Line No.
			(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
<b>1</b>	<b>REVENUE:</b>											
<b>2</b>	Revenue at Effective Rates	8,813	182,321	91,423	20,756	8,554	11,563	13,817	30,988	10,877	379,112	1
<b>3</b>	Less Non-General Revenue	0	(6,581)	(114)	5,002	(282)	(322)	(644)	(1,201)	(558)	(4,700)	2
<b>3</b>	General Rate Case Revenue						11,885	14,461	32,189	11,435	383,812	3
	<b>OPERATING EXPENSES:</b>											
<b>4</b>	Energy Costs	0	0	0	0	0	0	0	0	0	0	4
<b>5</b>	Other Production	0	0	0	0	0	0	0	0	0	0	5
<b>6</b>	Storage	0	0	0	0	0	0	0	0	0	0	6
<b>7</b>	Transmission	5,697	35,622	1,428	3,770	1,703	2,324	3,488	7,227	2,414	63,672	7
<b>8</b>	Distribution	0	365	0	0	0	0	0	0	0	365	8
<b>9</b>	Customer Accounts	0	1,557	375	35	16	22	33	68	23	2,127	9
<b>10</b>	Uncollectibles	22	472	229	39	22	30	36	80	29	960	10
<b>11</b>	Customer Services	0	3,613	932	382	173	235	354	733	244	6,667	11
<b>12</b>	Administrative and General	1,859	28,873	1,554	2,919	1,319	1,800	2,701	5,596	1,869	48,490	12
<b>13</b>	Franchise Requirements	85	1,823	883	152	85	115	140	311	110	3,703	13
<b>14</b>	Project Amortization	0	0	0	0	0	0	0	0	0	0	14
<b>15</b>	Wage Change Impacts	0	0	0	0	0	0	0	0	0	0	15
<b>16</b>	Other Price Change Impacts	0	0	0	0	0	0	0	0	0	0	16
<b>17</b>	Other Adjustments	0	0	0	0	0	0	0	0	0	0	17
<b>18</b>	Subtotal Expenses:						4,526	6,751	14,015	4,689	125,984	18
	<b>TAXES:</b>											
<b>19</b>	Superfund	0	0	0	0	0	0	0	0	0	0	19
<b>20</b>	Property	15	5,490	5,836	595	246	368	562	1,154	377	14,645	20
<b>21</b>	Payroll	220	2,163	169	219	99	135	202	419	140	3,766	21
<b>22</b>	Business	2	20	2	2	1	1	2	4	1	35	22
<b>23</b>	Other	1	11	1	1	1	1	1	2	1	19	23
<b>24</b>	State Corporation Franchise	62	3,504	3,020	133	160	209	86	345	166	7,684	24
<b>25</b>	Federal Income	40	19,537	14,963	895	923	1,291	884	2,543	924	42,002	25
<b>26</b>	Total Taxes	341	30,725	23,990	1,846	1,429	2,005	1,738	4,468	1,609	68,151	26
<b>27</b>	Depreciation	232	30,883	20,733	3,595	1,351	2,118	3,095	6,438	2,090	70,534	27
<b>28</b>	Fossil Decommissioning	0	0	0	0	0	0	0	0	0	0	28
<b>29</b>	Nuclear Decommissioning	0	0	0	0	0	0	0	0	0	0	29
<b>30</b>	Total Operating Expenses		133,933	50,125	12,738	6,098	8,648	11,584	24,920	8,387	264,669	30
<b>31</b>	Net for Return		54,970	41,412	3,015	2,738	3,236	2,877	7,269	3,048	119,142	31
<b>32</b>	Rate Base		595,211	448,405	32,648	29,652	35,043	31,150	78,706	32,998	1,290,066	32
	<b>RATE OF RETURN:</b>											
<b>33</b>	On Rate Base	9.24%	9.24%	9.24%	9.24%	9.24%	9.24%	9.24%	9.24%	9.24%	9.24%	33
<b>34</b>	On Equity	11.22%	11.22%	11.22%	11.22%	11.22%	11.22%	11.22%	11.22%	11.22%	11.22%	34

TABLE 2 (con't)

**ADOPTED REVENUE REQUIREMENT  
YEAR 2004  
(Thousands of Dollars)**

Line No.	Description	Storage Mc Donald Island	Storage Pleasant Creek	Storage Los Mendanos	Total Storage	Total Gas Accord II	Line No.
		(A)	(B)	(C)		(E)	
<b>REVENUE:</b>							
1	Revenue at Effective Rates	33,282	817	10,610		423,821	1
2	Less Non-General Revenue	(5,896)	(92)	(1,888)		(12,576)	2
3	General Rate Case Revenue					436,307	3
<b>OPERATING EXPENSES:</b>							
4	Energy Costs	0	0	0	0	0	4
5	Other Production	0	0	0	0	0	5
6	Storage	0	0	0	0	0	6
7	Transmission	11,389	155	3,545	15,089	78,761	7
8	Distribution	0	0	0	0	365	8
9	Customer Accounts	66	1	21	88	2,215	9
10	Uncollectibles	98	2	31	131	1,091	10
11	Customer Services	718	10	223	951	7,618	11
12	Administrative and General	2,694	114	1,020	3,829	52,318	12
13	Franchise Requirements	378	9	121	507	4,211	13
14	Project Amortization	0	0	0	0	0	14
15	Wage Change Impacts	0	0	0	0	0	15
16	Other Price Change Impacts	0	0	0	0	0	16
17	Other Adjustments	0	0	0	0	0	17
18	Subtotal Expenses:					146,579	18
<b>TAXES:</b>							
19	Superfund	0	0	0	0	0	19
20	Property	1,012	13	299	1,324	15,969	20
21	Payroll	319	10	113	442	4,208	21
22	Business	3	0	1	4	39	22
23	Other	2	0	1	2	22	23
24	State Corporation Franchise	1,150	37	381	1,567	9,252	24
25	Federal Income	4,068	140	1,326	5,534	47,536	25
26	Total Taxes	6,555	200	2,119	8,874	77,025	26
27	Depreciation	6,086	137	1,934	8,157	78,692	27
28	Fossil Decommissioning	0	0	0	0	0	28
29	Nuclear Decommissioning	0	0	0	0	0	29
30	Total Operating Expenses	27,983	628	9,015	37,626	302,296	30
31	Net for Return	11,195	281	3,483	14,959	134,101	31
32	Rate Base	121,216	3,044	37,716	161,977	1,452,043	32
<b>RATE OF RETURN:</b>							
33	On Rate Base	9.24%	9.24%	9.24%	9.24%	9.24%	33
34	On Equity	11.22%	11.22%	11.22%	11.22%	11.22%	34

**NOTES TO TABLES 1 AND 2  
ADJUSTMENTS TO PG&E GAS ACCORD II  
RESULTS OF OPERATION MODEL, VERSION 03-03-14**

The following lists entries made to PG&E Results of Operation Model, version 03-03-14 identified by worksheet, tab, and cell reference.

**I. Ratebase adjustments:**

**) ProjectDetail Worksheet, CapExp Tab:**

- a. Pipeline Safety Law Compliance (Row 867, Column AI)  
Value inputted = \$4125.5

All adjustments to PSRS No. 9774, 10595, 10596 (refer to PG&E Exhibit 42. Workpapers Supporting Chapter 10 – Capital Expenditures, p. 44) included in spreadsheet cell referred to above.

$$\begin{aligned} \$9,627 + 696 + 680 &= \$11,003/2 = \$5501.5 \\ \$9,627 - 5501.5 &= \$4125.5 \end{aligned}$$

- b. Power Plant Connections (Row 265, Column AI)  
Value inputted = \$3537.5

- c. Power Plant Metering (Row 1182, Columns AI through AT)  
Value inputted = \$275 / month

- d. Large Power Generator Meters (Row 1181, Columns W through AH)  
Value inputted = \$125 / month

- e. Winter Reliability Standard (Row 856, Columns J through AT)  
Value inputted = \$0

f. Gerber Compressor Replacement:

1. (Row 885, Column AG)  
Value inputted = (\$2,985)
2. (Row 886, Column AG)  
Value inputted = (\$2,985)
3. (Row 885, Column AH)  
Value inputted = (\$15)
4. (Row 886, Column AH)  
Value inputted = (\$15)

**2) Depreciation Worksheet, Cush Gas-StanPac-Non Cycle Tab:**

Non Cycle Working Gas (Row 10, Columns C through F)  
Value inputted = \$0

**NOTES TO TABLES 1 AND 2  
ADJUSTMENTS TO PG&E GAS ACCORD II  
RESULTS OF OPERATION MODEL, VERSION 03-03-14 (con't)**

The following lists entries made to PG&E Results of Operation Model, version 03-03-14 identified by worksheet, tab, and cell reference.

**II. Operating & Maintenance expense adjustments:**

**1) GasTrans Worksheet, 863 Tab:**

- a. Increased pipeline inspections, labor (Row 78, Column K)  
Value inputted = \$856.5
- b. Increased pipeline inspections, M&S (Row 79, Column K)  
Value inputted = \$576
- c. Pipeline Corrosion, labor (Row 84, Column K)  
Value inputted = \$198
- d. Pipeline Corrosion, M&S (Row 85, Column K)  
Value inputted = \$577

**Table 3**  
**Adopted 2004**  
**Firm Backbone Transportation**  
**Annual Rates (AFT) – SFV Rate Design**  
**On-System Transportation Service**

		GA II 2003		Adopted 2004	\$ Change Adopted vs. GA II 2003	PG&E Proposed 2004
<b><u>Redwood - Core</u></b>						
Reservation Charge	(\$/dth/mo)	3.517		3.846	0.330	5.264
Usage Charge	(\$/dth)	0.009		0.002	(0.007)	0.003
Total	(\$/dth @ Full Contract)	0.125		0.129	0.004	0.176
<b><u>Redwood Path</u></b>						
Reservation Charge	(\$/dth/mo)	7.961		9.060	1.099	9.943
Usage Charge	(\$/dth)	0.007		0.002	(0.006)	0.002
Total	(\$/dth @ Full Contract)	0.269		0.300	0.031	0.329
<b><u>Baja Path</u></b>						
Reservation Charge	(\$/dth/mo)	5.192		5.722	0.530	6.592
Usage Charge	(\$/dth)	0.004		0.004	(0.000)	0.004
Total	(\$/dth @ Full Contract)	0.175		0.192	0.017	0.221
<b><u>Silverado and Mission Paths</u></b>						
Reservation Charge	(\$/dth/mo)	3.426		3.452	0.026	3.978
Usage Charge	(\$/dth)	0.003		0.001	(0.002)	0.002
Total	(\$/dth @ Full Contract)	0.116		0.115	(0.001)	0.132

**Notes:**

- a) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- b) Backbone transmission charges are based on a 77.02 percent load factor.
- c) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- d) Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- e) Rates are subject to change pursuant to D.03-12-XXX

**Table 4**  
**Adopted 2004**  
**Firm Backbone Transportation**  
**Annual Rates (AFT) – MFV Rate Design**  
**On-System Transportation Service**

		<u>GA II 2003</u>		<u>Adopted 2004</u>	<u>\$ Change Adopted vs. GA II 2003</u>	<u>PG&amp;E Proposed 2004</u>
<b><u>Redwood - Core</u></b>						
Reservation Charge	(\$/dth/mo)	2.414		2.962	0.548	3.808
Usage Charge	(\$/dth)	0.045		0.031	(0.014)	0.050
Total	(\$/dth @ Full Contract)	0.125		0.129	0.004	0.176
<b><u>Redwood Path</u></b>						
Reservation Charge	(\$/dth/mo)	4.687		5.357	0.670	5.951
Usage Charge	(\$/dth)	0.115		0.124	0.009	0.133
Total	(\$/dth @ Full Contract)	0.269		0.300	0.031	0.329
<b><u>Baja Path</u></b>						
Reservation Charge	(\$/dth/mo)	3.910		4.468	0.558	4.871
Usage Charge	(\$/dth)	0.046		0.045	(0.001)	0.061
Total	(\$/dth @ Full Contract)	0.175		0.192	0.017	0.221
<b><u>Silverado and Mission Paths</u></b>						
Reservation Charge	(\$/dth/mo)	2.328		2.498	0.170	2.834
Usage Charge	(\$/dth)	0.039		0.033	(0.007)	0.039
Total	(\$/dth @ Full Contract)	0.116		0.115	(0.001)	0.132

**Notes:**

- a) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- b) Backbone transmission charges are based on a 77.02 percent load factor.
- c) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- d) Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- e) Rates are subject to change pursuant to D.03-12-XXX

**Table 5**  
**Adopted 2004**  
**Firm Backbone Transportation**  
**Seasonal Rates (SFT) – SFV Rate Design**  
**On-System Transportation Service**

		<b>GA II 2003</b>		<b>Adopted 2004</b>	<b>\$ Change Adopted vs. GA II 2003</b>	<b>PG&amp;E Proposed 2004</b>
<b><u>Redwood Path</u></b>						
Reservation Charge	(\$/dth/mo)	9.553		10.871	1.318	11.932
Usage Charge	(\$/dth)	0.009		0.002	(0.007)	0.003
Total	(\$/dth @ Full Contract)	0.323		0.360	0.037	0.395
<b><u>Baja Path</u></b>						
Reservation Charge	(\$/dth/mo)	6.231		6.866	0.635	7.911
Usage Charge	(\$/dth)	0.005		0.004	(0.000)	0.005
Total	(\$/dth @ Full Contract)	0.210		0.230	0.021	0.265
<b><u>Silverado Path</u></b>						
Reservation Charge	(\$/dth/mo)	4.111		4.142	0.031	4.774
Usage Charge	(\$/dth)	0.004		0.002	(0.002)	0.002
Total	(\$/dth @ Full Contract)	0.139		0.138	(0.001)	0.159

**Notes:**

- a) Firm Seasonal rates are 120 percent of Firm Annual rates.
- b) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- c) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- d) Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- e) Firm seasonal service is available to on-system paths for a minimum term of three consecutive months in one season. Winter season is November through March. Summer season is April through October.
- f) Rates are subject to change pursuant to D.03-12-XXX



**Table 6**  
**Adopted 2004**  
**Firm Backbone Transportation**  
**Seasonal Rates (SFT) -- MFV Rate Design**  
**On-System Transportation Service**

		<u>GA II 2003</u>		<u>Adopted 2004</u>	<u>\$ Change Adopted vs. GA II 2003</u>	<u>PG&amp;E Proposed 2004</u>
<b><u>Redwood Path</u></b>						
Reservation Charge	(\$/dth/mo)	5.625		6.428	0.803	7.141
Usage Charge	(\$/dth)	0.138		0.148	0.010	0.160
Total	(\$/dth @ Full Contract)	0.323		0.360	0.037	0.395
<b><u>Baja Path</u></b>						
Reservation Charge	(\$/dth/mo)	4.692	'	5.361	0.669	5.845
Usage Charge	(\$/dth)	0.055		0.054	(0.001)	0.073
Total	(\$/dth @ Full Contract)	0.210		0.230	0.021	0.265
<b><u>Silverado Path</u></b>						
Reservation Charge	(\$/dth/mo)	2.793		2.997	0.204	3.401
Usage Charge	(\$/dth)	0.047		0.039	(0.008)	0.047
Total	(\$/dth @ Full Contract)	0.139		0.138	(0.001)	0.159

**Notes:**

- a) Firm Seasonal rates are 120 percent of Firm Annual rates.
- b) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- c) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- d) Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- e) Firm seasonal service is available to on-system paths for a minimum term of three consecutive months in one season. Winter season is November through March. Summer season is April through October.
- f) Rates are subject to change pursuant to D.03-12-XXX

**Table 7**  
**Adopted 2004**  
**As-Available Backbone Transportation**  
**On-System Transportation Service**

		GA II 2003		Adopted 2004	\$ Change Adopted vs. GA II 2003	PG&E Proposed 2004
<hr/>						
<b><u>Redwood Path</u></b>						
Usage Charge	(\$/dth)	0.323		0.360	0.037	0.395
<b><u>Baja Path</u></b>						
Usage Charge	(\$/dth)	0.210		0.230	0.021	0.265
<b><u>Silverado Path</u></b>						
Usage Charge	(\$/dth)	0.139		0.138	(0.001)	0.159
<b><u>Mission Path</u></b>						
Usage Charge	(\$/dth)	0.000		0.000	0.000	0.000

**Notes:**

- a) As-Available rates are 120 percent of Firm Annual rates.
- b) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- c) Mission path service represents on-system storage to on-system transportation. Customers delivering gas to storage facilities pay the applicable backbone transmission on-system rate from Redwood, Baja or Silverado.
- d) Rates are subject to change pursuant to D.03-12-XXX

**Table 8**  
**Adopted 2004**  
**Firm Backbone Transportation**  
**Annual Rates (AFT-Off)**  
**Off-System Deliveries**

		<u>GA II</u> <u>2003</u>	<u>Adopted</u> <u>2004</u>	<u>\$ Change</u> <u>Adopted vs.</u> <u>GA II 2003</u>	<u>PG&amp;E Proposed</u> <u>2004</u>
<b><u>SFV Rate Design</u></b>					
<b>Redwood, Silverado and Mission Paths Off-System</b>					
Reservation Charge	(\$/dth/mo)	9.825	9.060	(0.765)	9.943
Usage Charge	(\$/dth)	0.004	0.002	(0.002)	0.002
Total	(\$/dth @ Full Contract)	0.327	0.2998	(0.027)	0.329
<b>Baja Path Off-System</b>					
Reservation Charge	(\$/dth/mo)	5.192	5.722	0.530	6.592
Usage Charge	(\$/dth)	0.004	0.004	(0.000)	0.004
Total	(\$/dth @ Full Contract)	0.175	0.192	0.017	0.221
<b><u>MFV Rate Design</u></b>					
<b>Redwood, Silverado and Mission Paths Off-System</b>					
Reservation Charge	(\$/dth/mo)	5.182	5.357	0.176	5.951
Usage Charge	(\$/dth)	0.165	0.124	(0.041)	0.133
Total	(\$/dth @ Full Contract)	0.335	0.300	(0.036)	0.329
<b>Baja Path Off-System</b>					
Reservation Charge	(\$/dth/mo)	3.910	4.468	0.558	4.871
Usage Charge	(\$/dth)	0.046	0.045	(0.001)	0.061
Total	(\$/dth @ Full Contract)	0.175	0.192	0.017	0.221
<b><u>As-Available Service</u></b>					
<b>Redwood, Silverado and Mission Paths Off-System</b>					
Usage Charge	(\$/dth)	0.403	0.360	(0.044)	0.395
<b>Baja Path Off-System</b>					
Usage Charge	(\$/dth)	0.210	0.230	0.021	0.265

**Notes:**

- a) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- b) Backbone transmission charges are based on a 77.02 percent load factor.
- c) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- d) California gas and storage to off-system are assumed to flow on Redwood path and are priced at the Redwood path rate.
- e) Rates are subject to change pursuant to D.03-12-XXX

**Table 9**  
**Adopted 2004**  
**Firm Transportation**  
**Expansion Shippers -- Annual Rates (G-XF)**  
**SFV Rate Design**  
**Off-System Deliveries**

		<u>GA II</u>		<u>Adopted</u>	<u>\$</u> <u>Change</u> <u>Adopted vs.</u>	<u>PG&amp;E Proposed</u>
		<u>2003</u>		<u>2004</u>	<u>GA II 2003</u>	<u>2004</u>
<b><u>SFV Rate Design</u></b>						
Reservation Charge	(\$/dth/mo)	9.825		7.900	(1.926)	7.932
Usage Charge	(\$/dth)	0.004		0.001	(0.003)	0.001
Total	(\$/dth @ Full Contract)	0.327		0.261	(0.066)	0.262

**Notes:**

- a) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- b) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- c) G-XF charges are based on the embedded cost of Line 401 and a 95 percent load factor.
- d) Rates are subject to change pursuant to D.03-12-XXX

**Table 10**  
**Adopted 2004**  
**Storage Services**

		<u>GA II 2003</u>	<u>Adopted 2004</u>	<u>\$ Change Adopted vs. GA II 2003</u>	<u>PG&amp;E Proposed 2004</u>
<b><u>Core Firm Storage (G-CFS)</u></b>					
Reservation Charge	(\$/dth/mo)	0.108	0.098	(0.012)	0.108
<b><u>Standard Firm Storage (G-SFS)</u></b>					
Reservation Charge	(\$/dth/mo)	n/a	0.118		0.089
Capacity Charge		0.070	n/a		
Withdrawal Charge		0.910	n/a		
<b><u>Negotiated Firm Storage (G-NFS)</u></b>					
Injection	(\$/dth/d)	9.223	13.707	4.485	5.826
Inventory	(\$/dth/mo)	1.295	1.421	0.126	1.069
Withdrawal	(\$/dth/d)	5.572	10.334	4.763	18.060
<b><u>Negotiated As-Available Storage (G-NAS) - Maximum Rate</u></b>					
Injection	(\$/dth/d)	9.223	13.707	4.485	5.826
Withdrawal	(\$/dth/d)	5.572	10.334	4.763	18.060
<b><u>Market Center Services (Parking and Lending Services)</u></b>					
Usage Charge:					
Maximum Daily Charge (\$/Dth/day)		1.004	0.820	(0.184)	0.886
Minimum Rate (per transaction)		\$ 57.00	\$ 57.00	0.000	\$57.00

**Notes:**

- a) Rates for storage services are based on the costs of storage injection, inventory and withdrawal.
- b) Core Firm Storage (G-CFS) and Standard Firm Storage (G-SFS) rates are a monthly reservation charge designed to recover one twelfth of the annual revenue requirement of injection, inventory and withdrawal storage.
- c) Negotiated Firm rates may be one-part rates (volumetric) or two-part rates (reservation and volumetric), as negotiated between parties. The volumetric equivalent is shown above.
- d) Negotiated As-Available Storage Injection and Withdrawal rates are recovered through a volumetric charge only.
- e) Negotiated rates (NFS and NAS) are capped at the price which will collect 100 percent of PG&E's total revenue requirement for the unbundled storage program under all three subfunctions (e.g. inventory, injection, or withdrawal). The maximum rates are based on a rate design assuming an average injection period of 30 days and an average withdrawal period of 7 days.
- f) Negotiated Firm and As-available services are negotiable above a price floor representing PG&E's marginal costs of providing the service.
- g) The maximum charge for parking and lending is based on the annual cost of cycling one dth of Firm Storage Gas assuming the full 214 day injection season and 151 day withdrawal season.
- h) Gas Storage shrinkage will be applied in-kind on storage injections.
- i) Rates are subject to change pursuant to D.03-12-XXX

**Table 11**  
**Adopted 2004**  
**Local Transmission Rates**  
**(\$/dth)**

<u>Annual Usage</u> (millions of Therms/year)	<u>GA II</u> <u>2003</u>	<u>Adopted</u> <u>2004</u>	<u>\$ Change</u> <u>Adopted vs.</u> <u>GA II 2003</u>	<u>PG&amp;E Proposed</u> <u>2004</u>
Core Retail	0.287	0.367	0.080	0.419
Noncore (including Wholesale)	0.149	0.157	0.009	0.201 - 0.075 (4 TIERS)

**Notes:**

a) Rates are subject to change pursuant to D.03-12-XXX

**Table 12**  
**Adopted 2004**  
**Customer Access Charges Using GA I Structure**

	<u>Rates 2003</u>	<u>Adopted 2004</u>	<u>\$ Change Adopted vs. GA II 2003</u>	<u>PG&amp;E Proposed 2004</u>
<b><u>G-EG and G-COG (2003 only) (\$/therm) (a)</u></b>	\$0.00080			
<b><u>G-NT and G-EG (\$/month)</u></b>				
Transmission and Distribution (a)				
(Therms/Month)				
Tier 1                      0 to 5,000	\$11.87	\$ 30.12	\$18.25	\$23.79
5,001 to 10,000	\$93.52	\$ 237.27	\$143.75	\$187.46
10,001 to 50,000	\$354.79	\$ 900.15	\$545.36	\$711.18
Tier 4                      50,001 to 200,000	\$935.23	\$ 2,372.80	\$1,437.57	\$1,874.67
200,001 to 1,000,000	\$1,339.02	\$ 3,397.26	\$2,058.24	\$2,684.07
1,000,001 and above	\$3,892.38	\$ 9,875.46	\$5,983.08	\$7,802.29 to \$43,148.69 (2 additional tiers)
<b><u>Wholesale (\$/month)</u></b>				
Alpine	\$206.71	\$ 524.45	\$317.74	\$782.34
Coalinga	\$1,028.08	\$ 2,608.37	\$1,580.29	\$3,666.28
Island Energy	\$560.47	\$ 1,421.98	\$861.51	\$1,399.59
Palo Alto	\$4,392.60	\$11,144.58	\$6,751.98	\$17,019.19
West Coast Gas - Castle	\$482.20	\$ 1,223.40	\$741.20	\$1,448.69
West Coast Gas - Mather	\$746.87	\$ 1,894.90	\$1,148.03	\$1,183.92

**Notes:**

a) Present rates for Schedule G-EG and G-COG are a volumetric rate per therm. PG&E proposes a 6 tiered rate structure applicable to both schedules G-NT and the new combined schedule G-EG

b) Rates are subject to change pursuant to D.03-12-XXX

**Table 13**  
**Adopted 2004**  
**Self Balancing Credit**  
**\$/dth**

	GA II 2003		Adopted 2004	\$ Change Adopted vs. GA II 2003	PG&E Proposed 2004
Self Balancing Credit	0.005		0.010	0.005	0.011

**Notes:**

- a) Storage balancing costs are bundled in backbone rates. Customers or Balancing Agents who elect self balancing on a daily basis can opt out of PG&E's monthly balancing program and receive a self-balancing credit.
- b) Rates are subject to change pursuant to D.03-12-XXX



Table 14

## Interim EG and Cogeneration Customer Access Charge and Distribution Rate

Interim Period: January 1, 2004 - March 31, 2004

Single EG Class Structure will be implemented beginning April 1, 2004

## EG-T Customer Access Charge Annual Revenue Requirement Calculation

	IND-T + EG-T 2004 Bills By Tier/Mo.	IND-T 2004 Bills By Tier/Mo.	EG-T 2005 Bills By Tier/Mo.	PD Adopted Scaled Monthly 2004 Charges	EG-T Annual CAC Revenue Req
Tier 1	19	14	5	\$30.12	\$1,709
Tier 2	16	10	6	\$237.27	\$16,027
Tier 3	105	72	33	\$900.15	\$359,097
Tier 4	109	99	10	\$2,372.80	\$280,342
Tier 5	99	78	21	\$3,397.26	\$866,899
Tier 6	37	24	13	\$9,875.46	\$1,494,845
Totals/Averages	385	297	87		\$3,018,918

## Interim Volumetric EG and Cogeneration Customer Access Charge Calculation

Annual EG-T CAC Revenue Requirement (M\$)	\$3,018.918
Annual EG/COG Volumes (Mdth)	<u>272.101</u>
Volumetric Customer Access Charge (\$/dtherm)	\$ 0.0111

## Equalized EG Distribution Rate Component Calculation

Adj. Annual Distribution-Level Costs Allocated to Distribution-level Cogen D.01-11-001 (M\$)	\$1,791
<u>Less: Distribution Revenues Recovered From Distribution CAC</u>	
Distribution-Level Cogen Volumes (Mth)	22,150
Volumetric Customer Access Charge (\$/Therm)	<u>\$0.00111</u>
Customer Access Charges Collected from Distribution-Level Cogen Customers (M\$)	\$25
Adjusted Distribution Revenue Requirement (M\$)	\$1,766
Annual EG/COG Volumes (Mdth)	<u>272,101</u>
Distribution Rate Component (\$/dtherm)	\$ 0.0065

Table 15  
Adopted 2004

Calculation of Distribution Rate Applicable to Distribution-level and Transmission Level EG's

Line  
#

Calculation of Distribution Component for EG-Distribution-level customers

1	Adj. Annual Distribution-Level Costs Allocated to distribution-level Cogen D.01-11-001 (\$ 000)	\$ 1,791		
2		25%		
3	25 % Allocation to Distribution-level customers in Single EG Class (Distribution Rate)		\$	
4	Annual Average Cogeneration Volumes per D.01-11-001 (mth)	975,775		
5	% of Cogen Volumes on Distribution per Service Level Study in D. 01-11-001	2.270%		
6	Distribution-level volumes		22,150	
7	Distribution EG Cost Component for G-EG Distribution (\$/th)		\$	0.0202

Calculate Allocation to all EG Customers (D and T), (to extent equalized)

8	Annual Distribution Costs Allocated to distribution-level Cogen D.01-11-001 (\$ 000)	\$ 1,791		
9		75%		
10	75 % Allocation to All Customers Equally Single EG Class (Distribution Rate)		\$	
11	Annual EG & Cogen volumes per D.01-11-011 (mth)		2,763,205	
12	Distribution Cost Component Adder in CCC for EG-T and EG-D(\$/th)		\$	0.0005
13	Total Distribution-Level Cost Component for EG-D - Gas Accord II - 2004	\$ 0.0207	\$	0.2070
14	Total Distribution-Level Cost Component for EG-T - Gas Accord II - 2004	\$ 0.0005	\$	0.0049

Calculation of Estimated CAC Revenue Collected from EG-D Customers in 2004

	Avg. Bills Per Mo. Per Tier	Proposed CAC	Annual Rev. (\$)
15	Tier 1 0.1	\$ 30.12	\$ 21
16	Tier 2 0.0	\$ 237.27	\$ -
17	Tier 3 7.8	\$ 900.15	\$ 83,984
18	Tier 4 3.2	\$ 2,372.80	\$ 90,404
19	Tier 5 0.2	\$ 3,397.26	\$ 6,115
20	Tier 6 0.0	\$ 9,875.46	\$ -
21	11.2		\$ 180,523
22		In \$ 000	181
23	Divide By EG-D Volumes (therms)		22,150
24			\$ 0.00815 per therm
25			\$ 0.08150 per dth

Calculation of EG-D Customer Access and Distribution Components:

26	Total Proposed Distribution-Level Cost Component for EG-D	\$ 0.2070	\$/dth
27	Less Estimated Volumetric Equivalent EG-D Customers Will Pay in Noncore CAC's	\$ 0.0815	\$/dth (Ref. by Table 14.1-2)
28	Net Distribution Cost Component for EG-D	\$ 0.1255	\$/dth (Ref. by Table 14.1-2)

Note: The costs included in the Distribution-Level costs allocated to the Cogeneration Class in the 2000 BCAP Decision include both customer and distribution costs, i.e., they are Distribution-Level Costs. However, EG-D customers will be paying the CAC charges based on the same unified EG/IND Customer Access Charge schedule. Therefore, to prevent double payment of customer charges by EG-D customers, the Distribution-Level Cost Component from line 13 will be reduced by the estimated volumetric equivalent of the Customer Access Charges EG-D will pay during 2004.